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TNB-PAKISTAN

TNB TO OPEN NEW CHAPTER ON LIBERTY POWER WITH THE OPENING BY PM

By: Mohd Arshi Daud

KUALA LUMPUR, Oct 9 (Bernama) -- Tenaga Nasional Bhd (TNB) is banking on the official opening of its Liberty Power plant in Pakistan on October 18 by Prime Minister Datuk Seri Dr Mahathir Mohamad to close the chapter on the negative news previously associated with its Pakistani operations.

"With the official opening by the Prime Minister, we hope for a new beginning, a new story for our investment in Pakistan," TNB's chairman Datuk Jamaludin Jarjis told Bernama on the sidelines of the recent World Economic Forum's East Asia Economic Summit.

Dr Mahathir is scheduled to open the plant during an official visit to Pakistan from Oct 18-19 which is part of his six-day tour of three countries covering India, Pakistan and Saudi Arabia.

It took TNB three years to start with the Liberty Power project, causing cost overruns that forced the national utility company to make provisions amounting to RM600 million.

At the peak of the US-led military strikes on suspected terrorist targets in Afghanistan, the national utility company had to recall its Malaysian staff from the 235 megawatt natural gas-fired power plant, located in the country's Sindh province.

The RM1.6 billion power plant, now operational at full capacity, was currently manned by 80 employees, out of which 10 are from Malaysia and the rest locals.

"We are always in consultation with Wisma Putra (Ministry of Foreign Affairs) and also the (Pakistan) embassy here. Based on their advice, we are now back in full force in terms of people manning the power plant," he said.

Jamaludin said the plant was now running smoothly and what's left for TNB was to clear one or two operational issues after having firmed up the power purchase agreement (PPA) with the Pakistani authorities.

The PPA, sealed with the Pakistan government under president Pervez Musharraf, was lower in terms of rates than the previous PPA agreed upon with the previous government.

The TNB chairman however declined to elaborate on the PPA but sufficed to say that while the national utility company wanted it to be as high as possible, it should accept the present realities.

"We have invested a substantial amount of money over there. We need to cash out on our investment. The sooner we run this, the sooner we unlock our investment in Pakistan," he said.

Nevertheless, TNB would still enjoy fairly acceptable returns on Liberty Power investment, said Jamaludin.

Liberty Power contributed some RM145.2 million or two percent of TNB group's total revenue for the company's first half year ended February 28, 2002. -- BERNAMA

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